

**BANK OF THE CAROLINAS CORPORATION**

	CPP Disbursement Date 04/17/2009	RSSD (Holding Company) 3447398	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2011 \$ millions	2012 \$ millions	%chg from prev		
Assets	\$486	\$437	-10.1%		
Loans	\$308	\$270	-12.2%		
Construction & development	\$32	\$28	-10.7%		
Closed-end 1-4 family residential	\$79	\$73	-7.7%		
Home equity	\$30	\$29	-0.9%		
Credit card	\$0	\$0			
Other consumer	\$2	\$2	-8.6%		
Commercial & Industrial	\$34	\$23	-33.0%		
Commercial real estate	\$120	\$103	-14.1%		
Unused commitments	\$29	\$28	-4.2%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$62	\$46	-24.5%		
Asset-backed securities	\$0	\$0			
Other securities	\$51	\$60	18.9%		
Cash & balances due	\$8	\$8	2.4%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$464	\$420	-9.3%		
Deposits	\$417	\$373	-10.4%		
Total other borrowings	\$45	\$45	0.0%		
FHLB advances	\$0	\$0			
Equity					
Equity capital at quarter end	\$22	\$16	-26.3%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	4.1%	3.6%	--		
Tier 1 risk based capital ratio	5.7%	5.0%	--		
Total risk based capital ratio	6.9%	6.2%	--		
Return on equity <sup>1</sup>	-122.6%	6.7%	--		
Return on assets <sup>1</sup>	-6.5%	0.2%	--		
Net interest margin <sup>1</sup>	2.9%	2.8%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	42.5%	89.1%	--		
Loss provision to net charge-offs (qtr)	83.6%	827.3%	--		
Net charge-offs to average loans and leases <sup>1</sup>	4.5%	-0.1%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2011	2012	2011	2012	
Construction & development	5.6%	3.1%	1.7%	0.0%	--
Closed-end 1-4 family residential	8.7%	3.3%	0.5%	0.0%	--
Home equity	0.1%	0.3%	0.3%	0.3%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.4%	0.3%	1.0%	0.4%	--
Commercial & Industrial	3.6%	0.9%	3.4%	0.3%	--
Commercial real estate	7.0%	4.0%	1.1%	0.1%	--
Total loans	6.2%	2.9%	1.2%	0.1%	--